

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7717**

**BILL NUMBER: HB 1573**

**NOTE PREPARED: Jan 13, 2007**

**BILL AMENDED:**

**SUBJECT:** Unauthorized Alien Insurers in Indiana.

**FIRST AUTHOR:** Rep. Fry

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State

**Summary of Legislation:** The bill provides for the entry of an unauthorized alien insurance company to transact business in the United States through a U.S. branch that is granted a certificate of authority in Indiana to transact insurance business as if the U.S. branch were a domestic insurance company. The bill specifies requirements that a U.S. branch must meet to be granted and to obtain renewal of the certificate of authority.

**Effective Date:** July 1, 2007.

**Explanation of State Expenditures:** The Department of Insurance (DOI) will need to hire a 0.5 PATII to implement the provisions of the bill. Costs for 0.5 PATII are estimated at around \$26,000 per year, which includes fringe benefits and office equipment.

The funds and resources required above could be supplied through a variety of sources, including the following: (1) existing staff and resources not currently being used to capacity; (2) existing staff and resources currently being used in another program; (3) funds that, otherwise, would be reverted; or (4) new appropriations. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions. The DOI is funded through both state General Fund and dedicated fund monies.

For FY 2006, the DOI reverted almost \$240,000 in state General Fund revenue.

**Explanation of State Revenues:** The amount of additional renewal fees that the DOI would collect would depend on the number of U.S. branches that operate in the state.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** DOI.

**Local Agencies Affected:**

**Information Sources:** DOI.

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